

## Message Text

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PAGE 01 TOKYO 16551 01 OF 02 191112Z

12

ACTION EA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 NSAE-00 NSCE-00 SSO-00

USIE-00 INRE-00 PM-03 H-01 INR-05 L-02 NSC-05 PA-01

RSC-01 PRS-01 SP-02 SS-15 SAM-01 AEC-05 ACDA-05

AECE-00 /058 W

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O R 191020Z DEC 74

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC IMMEDIATE 6854

INFO AMEMBASSY SEOUL

AMEMBASSY TAIPEI

AMCONSUL HONG KONG

USLO PEKING

CINCPAC HONOLULU HI

LIMITED OFFICIAL USE SECTION 1 OF 2 TOKYO 16551

CINCPAC FOR POLAD

E.O. 11652: N/A

TAGS: PINT JA

SUBJ: DIET INTERPELLATIONS: DECEMBER 16-18

REF: TOKYO 16355

SUMMARY: DIET INTERPELLATIONS DECEMBER 16 TO 18 WERE CONDUCTED IN A POLITE AND LOW-KEY MANNER. IN GOJ STATEMENTS IN AND OUTSIDE THE DIET, OBSERVERS NOTE INITIAL SIGNS OF A POTENTIALLY SERIOUS RIFT BETWEEN FUKUDA AND OHIRA ON ANTI-INFLATION POLICY. MIYAZAWA SAID A NUCLEAR-FREE ZONE FOR ASIA IS UNREALISTIC, AND KOMEITO CHARGED THAT MIKI HIMSELF IS VULNERABLE ON THE CORRUPTION ISSUE. OTHERWISE THE INTERPELLATIONS WERE HUMDRUM, BUT THE OPPOSITION MAY BE HOLDING THEIR FIRE FOR THE BUDGET HEARINGS. END SUMMARY.

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PAGE 02 TOKYO 16551 01 OF 02 191112Z

1. DIET INTERPELLATIONS AT PLENARY SESSIONS DECEMBER 16 TO 18, WITH MIKI UNDER FIRE FOR FIRST TIME, WERE CONDUCTED IN AN UNUSUALLY POLITE AND LOW KEY MANNER. INTERPELLATIONS AT SUCH SESSIONS, WHICH ARE LIMITED TO QUESTIONS ON THE PRIME MINISTER'S POLICY SPEECH (REFTTEL), ARE GENERALLY PRO FORMA, UNLIKE THE GIVE-AND-TAKE CHARACTERISTIC OF DIET COMMITTEE HEARINGS. HOWEVER, THE OPPOSITION PARTIES SEEMED ESPECIALLY RESTRAINED IN THEIR HANDLING OF MIKI, AS IF RESPONDING TO HIS CALL FOR "DIALOGUE INSTEAD OF CONFRONTATION." JSP AND DSP OFFERED THEIR FULL COOPERATION TO MIKI IN CONTROLLING INFLATION, ALTHOUGH NOT AT THE EXPENSE OF CONSUMERS AND WORKERS, AND AIDING THE SOCIALLY DISADVANTAGED. AT SAME TIME, ALL PARTIES CALLED ON MIKI TO TRANSLATE HIS "BEAUTIFUL" WORDS INTO ACTION, AND JCP AND KOMEITO DID NOT LET GO OF THE CORRUPTION ISSUE. JCP SPOKESMAN INSISTED ON CLARIFICATION OF TANAKA'S FINANCIAL DEALS, WHILE KOMEITO CHARGED THAT MIKI'S HANDS WERE NOT ENTIRELY CLEAN. NOTEWORTHY ASPECTS EMERGING FROM INTERPELLATIONS FOLLOW:

2. DIALOGUE - MIKI SAID THAT HE WOULD LIKE TO MEET WITH HEADS OF ALL OPPOSITION PARTIES AND REPRESENTATIVES OF LABOR UNIONS SOON TO EXCHANGE VIEWS ON THE FY 75 BUDGET AND ANTI-INFLATION MEASURES. (CHIEF CABINET SECRETARY IDE ANNOUNCED LATER THAT SUCH MEETINGS MAY BE HELD DECEMBER 24 TO 27.)

3. ANTI-INFLATION MEASURES - DURING THE THREE DAYS, OBSERVERS HAVE NOTED THE FIRST SIGNS OF A POTENTIALLY SERIOUS RIFT BETWEEN MIKI AND FUKUDA ON ONE HAND AND OHIRA AND THE FINANCE MINISTRY BUREAUCRACY ON THE OTHER HAND REGARDING ANTI-INFLATION POLICY. MIKI TOLD THE DIET THAT HIS GOVERNMENT WOULD DO ITS "UTMOST IN THE DIRECTION OF" HOLDING DOWN PRICES AND RATES CHARGED BY PUBLIC ENTERPRISES. FUKUDA ECHOED THESE SENTIMENTS AND IN STATEMENTS IN AND OUTSIDE THE DIET SAID THAT RATES AND PRICES CHARGED BY SUCH ENTERPRISES WOULD BE FROZEN FOR THE NEXT TWO FISCAL LIMITED OFFICIAL USE

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PAGE 03 TOKYO 16551 01 OF 02 191112Z

YEARS IN AN EFFORT TO KEEP CONSUMER PRICES FROM RISING ABOVE 15 PERCENT ANNUAL RATE AT END OF MARCH 1975. (KEIDANREN HEAD DOKO SAID SAME DAY THAT WAGE INCREASES SHOULD ALSO BE KEPT AT 15 PERCENT IN COMING "SPRING STRUGGLE.") OHIRA, HOWEVER, EXPRESSED HIS CONCERN TO THE DIET THAT POSTPONEMENT OF PLANNED HIKE IN PRICES OF TOBACCO PRODUCTS, WHEAT, AND SALT, TAXES ON ALCOHOLIC BEVERAGES, AND TELEPHONE AND POSTAL RATES

WOULD RESULT IN EVEN BIGGER HIKES LATER. IN SUPPORT OF OHIRA'S POSITION, FINANCE VICE MINISTER TAKAGI TOLD THE PRESS THAT A TWO-YEAR FREEZE AT CURRENT LEVELS WOULD RESULT, FOR EXAMPLE, IN 420 BILLION YEN DEFICIT IN POSTAL SERVICES AND 480 BILLION YEN DEFICIT IN TELEPHONE AND TELEGRAPH OPERATIONS. HE ASSERTED THEREFORE THAT PLANNED HIKES SHOULD FORM THE BASIS OF FY 75 BUDGET PLANNING.

4. NUCLEAR WEAPONS - FOREIGN MINISTER MIYAZAWA REJECTED THE PROPOSED CONCEPT OF A NUCLEAR-FREE ZONE FOR ASIA, CALLING IT MEANINGLESS UNLESS TIED REALISTICALLY TO ARMS REDUCTION. RE KOMEITO ALLEGATIONS THAT NUCLEAR WEAPONS WERE KEPT ON OKINAWA BEFORE REVERSION, MIYAZAWA SAID THE THE IMPORTANT POINT NOW IS THAT NUCLEAR-FREE REVERSION HAD BEEN ACCOMPLISHED, AS INDICATED BY SECRETARY ROGERS' STATEMENT TO THE GOJ AT THE TIME OF REVERSION AND USG STATEMENTS TO CONGRESS.

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PAGE 01 TOKYO 16551 02 OF 02 191118Z

12

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LIMITED OFFICIAL USE SECTION 2 OF 2 TOKYO 16551

5. CORRUPTION - WHILE THE OPPOSITION QUESTIONED MIKI ON THE STILL UNRESOLVED ISSUE OF CORRUPTION INVOLVING TANAKA, KOMEITO REPRESENTATIVE ASAI ALSO CHARGED THAT MIKI HIMSELF WAS CULPABLE. ASAI ASSERTED THAT HUGE SUMS PROVIDED BY BIG BUSINESS TO TWO MIKI ORGANIZATIONS, THE MODERNIZATION RESEARCH GROUP AND THE POLICY DISCUSSION GROUP, HAVE BEEN TRANSFERRED BETWEEN 1971 TO 1973 TO FOUR "GHOST" ORGANIZATIONS WITHOUT PUBLIC ACCOUNTING AS REQUIRED BY LAW. THESE GHOUST ORGANIZATIONS, HE CHARGED, GAVE AS THEIR ADDRESSES MIKI'S DIET OFFICE OR HIS PRIVATE OFFICE IN THE BANCHU BUILDING. MIKI REPLIED THAT PUBLIC ACCOUNTING HAD BEEN MADE OF ALL CONTRIBUTIONS. HE SAID THAT ALTHOUGH HE DID NOT KNOW ABOUT THE FOUR ORGANIZATIONS, HE ASSUMED THEY WERE "PRIVATE" (I.E. INDEPENDENT) ORGANIZATIONS SUPPORTING HIM. ASAI SAID THE KOMEITO WOULD PURSUE THESE CHARGES IN THE BUDGET HEARINGS.

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PAGE 02 TOKYO 16551 02 OF 02 191118Z

6. PRESS REACTION: THE PRESS WAS MILDLY CRITICAL OF THE "LACKADAISICAL" QUESTIONING BY THE OPPOSITION AND LACK OF CONCRETE RESPONSES FROM MIKI. TOKYO SHIMBUN SAID THE CALM DELIBERATIONS REMINDED ONE OF A "SCHOOL PLAY" AND MADE ONE WONDER WHETHER "SOMETHING WAS NOT AMISS" IN VIEW OF THE PROBLEMS FACING THE NATION. MAINICHI EXPRESSED DISAPPOINTMENT IN MIKI'S LACK OF PREPARATION AND APPARENT RETREAT FROM EARLIER POSITIONS ON ECONOMIC POLICIES, NUCLEAR WEAPONS, AND CORRUPTION ISSUE. SANKAI, ON THE OTHER HAND, WELCOMED THE GROWING DIALOGUE BETWEEN GOJ AND OPPOSITION PARTIES.

7. COMMENT: AS INDICATED BY THE KOMEITO'S STANCE ON THE CORRUPTION ISSUE, WE CAN EXPECT THE OPPOSITION TO REVERT TO THEIR USUALLY BITING AND ACRIMONIOUS STYLE OF ATTACK IN THE DEBATE NOW BEGINNING IN THE BUDGET COMMITTEE.

HODGSON

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## Message Attributes

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**Draft Date:** 19 DEC 1974  
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**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
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